



*Venture funding for energy technology*

## **What Investors Want – The Venture Capital Perspective**

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NREL Technology Day, May 19, 2004

# Venture Capital Traits

- Type of security – Equity
- Stage – seed / early / growth
- Percentage – minority
- Risk – generally higher
- Technology mix – generally tech-weighted
- Amount – \$6-8 million recently

# The VC Mentality

- Managing other people's money
- Looking for 10x return
- Looking for IRR  $\geq$  25 percent
- Simple capital gains model
- Opportunistic

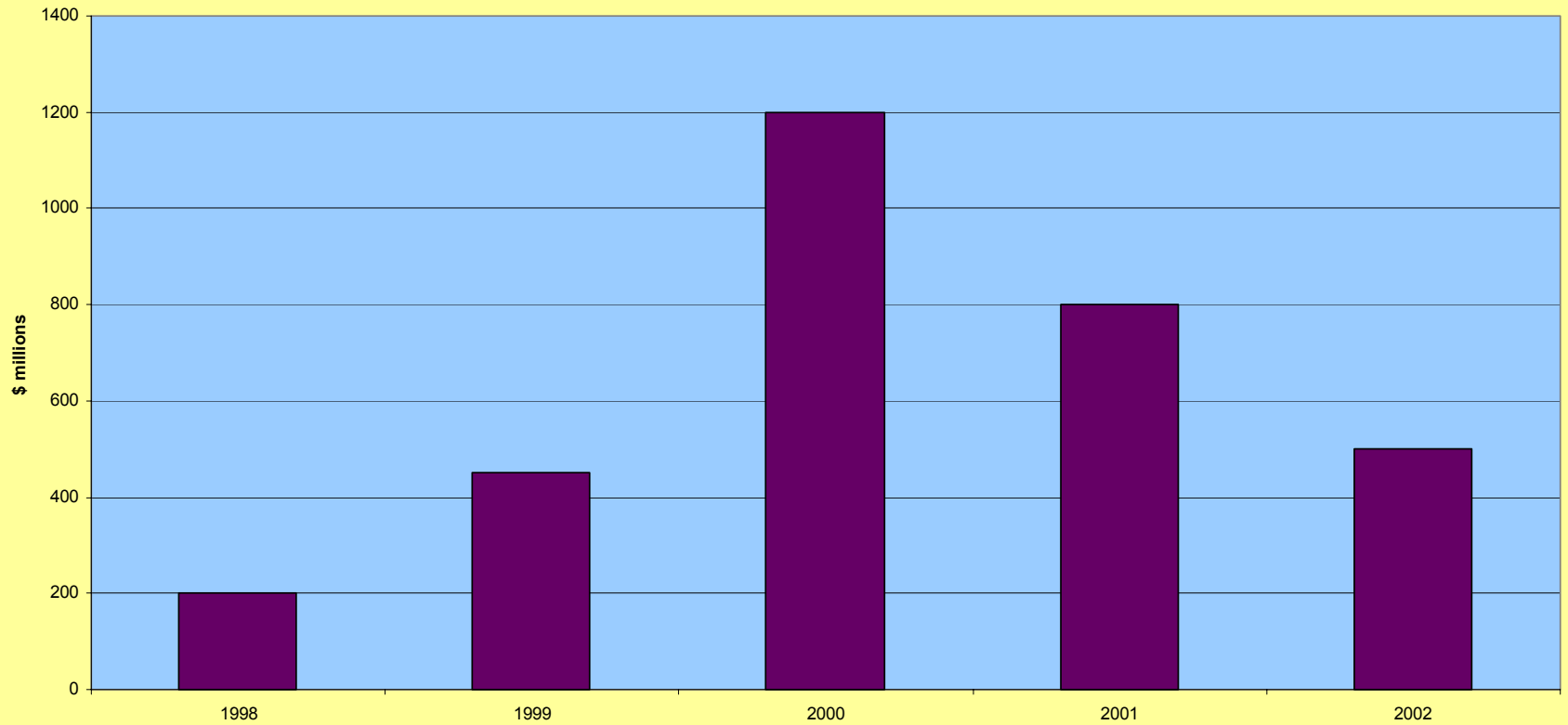
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# Total Energy Technology Investments by Year

source: MoneyTree Survey / VCJ



# Anatomy of a Good Opportunity

- Profit potential – for the investor
- Management
- Market potential
- Competitive advantage
- Risks
- Exit

# Presentation Tips

- Honesty – you are selling TRUST
- Thoroughness and planning
- Directness
- Clarity
- Encourage questions
- Stay within time limits

Would you have invested?



Microsoft Corporation, 1978



# Altira<sup>®</sup>

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